


**REMARKS**

Claims 1, 5, and 6 have been amended. Claims 1 through 6 remain in the application.

Claims 1 through 6 were rejected under 35 U.S.C. § 101 because the claimed invention was allegedly directed to non-statutory subject matter and therefore lacks utility. Applicants respectfully traverse this rejection.

As to inventions patentable, 35 U.S.C. § 101 provides that:



Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

The plain and unambiguous meaning of Section 101 is that any invention falling within one of the four stated categories of statutory subject matter may be patented, provided it meets the other requirements for patentability set forth in Title 35. A patent cannot be held invalid under 35 U.S.C. § 101 pursuant to so-called “business method” exception to statutory subject matter, since business methods are subject to the same legal requirements for patentability as any other process or method. State Street Bank & Trust Co. v. Signature Financial Group Inc., 47 U.S.P.Q.2d 1596 (Fed. Cir. 1998).

Claims 1 through 6 claim a computer implemented method of optimizing market and institutional risks in foreign currency exchange hedging. While the method may be a business method, it is still statutory subject matter. As such, the method is useful and is one of the statutory categories of patentable subject matter. The method of the present invention therefore has utility. The computer implemented method of the present invention has a practical application because it produces a “useful, concrete and tangible result” by selecting a range of optimal portfolios to allow a user to choose between optimal portfolios based on trade-offs

between institutional risk and market risk of losses due to hedging. As such, the method gives rise to a consistent outcome and concrete result produced. The Examiner is incorrect that it lacks utility. Therefore, it is respectfully submitted that claims 1 through 6 are allowable over the rejection under 35 U.S.C. § 101.

Claim 1 through 6 were rejected under 35 U.S.C. § 112, first paragraph, as containing subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. Applicants respectfully traverse this rejection.

An analysis of whether the claims are supported by an enabling disclosure requires a determination of whether that disclosure contained sufficient information regarding the subject matter of the claims as to enable one skilled in the pertinent art to make and use the claimed invention. The test for enablement is whether one skilled in the art could make and use the claimed invention from the disclosure coupled with information known in the art without undue experimentation. See United States v. Telectronics, Inc., 857 F.2d 778, 785, 8 USPQ2d 1217, 1223 (Fed. Cir. 1988), cert. denied, 109 S.Ct. 1954 (1989); In re Stephens, 529 F.2d 1343, 1345, 188 USPQ 659, 661 (CCPA 1976).

In order to make a rejection, the Examiner has the initial burden to establish a reasonable basis to question the enablement provided for the claimed invention. See In re Wright, 999 F.2d 1557, 1561-62, 27 USPQ2d 1510, 1513 (Fed. Cir. 1993)(Examiner must provide a reasonable explanation as to why the scope of protection provided by a claim is not adequately enabled by the disclosure).

Thus, the dispositive issue is whether Applicants' disclosure, considering the level of ordinary skill in the art as of the date of Applicants' application, would have enabled a person of such skill to make Applicants' invention without undue experimentation. The threshold step

in resolving this issue as set forth supra is to determine whether the Examiner has met his burden of proof by advancing acceptable reasoning inconsistent with enablement. This the Examiner has not done.

The specification clearly states, on page 8, lines 6 through 9, that the method uses the VaR calculator and optimization procedure together to determine an “efficient frontier” line on which all the optimal portfolios will exist in the two-dimensional (2d) space. The specification also clearly states, on page 8, lines 16 through 21, that the method advances to block 106 and, once a range of optimal portfolios is selected, the method chooses between these optimal portfolios using management judgment of the trade-offs between institutional risk and the market risk of loss due to the hedging. The specification further clearly states, on page 8, line 21 through page 9, line 2, that management judgment is used to choose between tradeoffs in total portfolio risk and hedging risk. FIG. 1 clearly shows the steps of the method. One skilled in the art would clearly have sufficient information regarding the subject matter of the claims as to enable one skilled in the pertinent art to make and use the claimed invention from the disclosure coupled with information known in the art without undue experimentation.

Claims 1, 5, and 6 have been amended to clarify that the method selects a range of the optimal portfolios to allow a user to choose between the optimal portfolios in the range based on trade-offs between institutional risk and market risk of losses due to hedging. Also, this language is not new matter. Therefore, it is respectfully submitted that claims 1 through 6 are allowable over the rejection under 35 U.S.C. § 112, first paragraph.

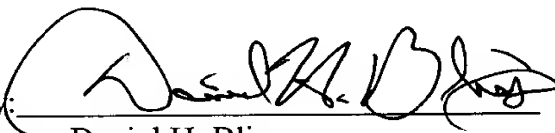
Claims 1 through 6 were rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicants regard as the invention. Applicants respectfully traverse this rejection.

Claims 1 and 6 have been amended to clarify that the method selects a range of the optimal portfolios to allow a user to choose between the optimal portfolios in the range based on trade-offs between institutional risk and market risk of losses due to hedging. Therefore, it is respectfully submitted that claims 1 through 6 are allowable over the rejection under 35 U.S.C. § 112, second paragraph.

Claims 1 through 6 are deemed novel and unobvious over the art of record.

Based on the above, it is respectfully submitted that the claims are in a condition for allowance or in better form for appeal. Applicants respectfully request reconsideration of the claims and withdrawal of the final rejection. It is respectfully requested that this Amendment be entered under 37 C.F.R. 1.116.

Respectfully submitted,

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Date: February 26, 2004

Attorney Docket No.: 0693.00231  
Ford Disclosure No.: 200-0109